

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

No. 18-cr-20559-01

Plaintiff,

HON. NANCY G. EDMUNDS

v.

D-1 KAMAL MOHAMMAD RAMMAL,

Defendant.

/

GOVERNMENT'S SENTENCING MEMORANDUM

The United States of America respectfully submits this Sentencing Memorandum regarding defendant KAMAL MOHAMMAD RAMMAL [RAMMAL], who will be sentenced on April 18, 2019. For the reasons that follow, the United States recommends that the Court: (1) determine the applicable sentencing range to be 24-30 months as probation recommends; and (2) impose a sentence within a narrower range of 24-27 months, that is, the minimum of the applicable range and the maximum of the range anticipated and recommended by the parties at the time of RAMMAL's guilty plea.

FACTUAL BACKGROUND

The presentence report [PSR] contains a great deal of information concerning this offense which need not be reiterated here. It is, however, worth noting that this scheme to defraud the Supplemental Nutrition Assistance Program [SNAP], formerly known as the “food stamp” program, was executed in two ways.¹

First, in 1994, RAMMAL was permanently disqualified from participation as an authorized retailer in SNAP due to a finding by Food and Nutrition Services, that RAMMAL, doing business as Taj Gas & Food, Inc., was “trafficking benefits,” that is, exchanging cash for SNAP benefits (a practice also commonly known as “discounting”). (PSR at ¶ 15). Because of this disqualification and to again participate as a SNAP authorized retailer, RAMMAL became a hidden owner of S&R Petro, Inc. RAMMAL used a prior associate to serve as a “straw owner,” thus enabling S&R Petro, Inc. to become an authorized SNAP retailer in

¹ To the extent any of the facts presented here are not contained in the PSR and are disputed, they will be established by the case-agent at the time of sentencing.

October 2008.² (PSR at ¶ 17-18).

Second, RAMMAL, doing business as S&R Petro, defrauded the SNAP program by purchasing SNAP benefits for less than their face value, the same practice for which he was permanently disqualified in 1995, and was denied participation in 2007. RAMMAL's SNAP discounting was confirmed by undercover transactions with RAMMAL and his co-defendant, in which cooperating witnesses and undercover agents sold benefits to them for approximately half their value. (PSR at ¶¶ 20-21). S&R Petro, in turn, redeemed the benefits for full value. (*Id.*). This practice was also evidenced by a comparison between S&R Petro's SNAP redemptions and those of comparable area stores, which showed S&R Petro with over *four times more* monthly SNAP redemptions from January 2015 through May 2017 (\$16,189/month vs. \$3,968/month). (PSR at ¶ 24).

Losses from discounting benefits are estimated to be \$353,393 during those 17 months (1/15-5/17). (PSR at ¶ 24). However, because

² Previously, in 2007, the SNAP application of another business, "K&M Petro, Inc.," which explicitly listed RAMMAL as a co-owner, was rejected by USDA FNS because of his permanent disqualification. (PSR at ¶ 16). RAMMAL thereafter completely hid his ownership of his next business, S&R Petro, Inc.

RAMMAL's entire participation in the program was fraudulent due to his hidden ownership, all of his food stamp redemptions for the period, \$469,485, were obtained fraudulently.³ (*Id.*).

SENTENCING GUIDELINES

The sentencing ranges contained in the PSR (24-30 months) and anticipated by the parties (21-27 months) are inconsistent because the probation department found RAMMAL's criminal history to be II, and the parties believed it was I. (PSR at ¶¶ 41-43, 67-68; PSR Addendum at A-1). Although the probation department appears to be correct in its scoring, the government does not advocate a custodial sentence of more than 27 months in the case, and therefore requests that the Court treat the effective guideline range as 24-27 months.

³ These figures reveal an astonishing fact: for the 17-month period at issue, over 75% of all S&R Petro's SNAP redemptions were likely the result of fraudulent discounting activities. This large-scale SNAP fraud is consistent with findings of USDA/OIG search warrant execution of June 1, 2017, which found, at the store, numerous "Bridge Cards" (SNAP benefits cards) of various individuals with no legitimate reason for their being there, old and dusty canned goods and expired food items both on the shelves and in the coolers, and numerous scraps of paper containing SNAP account numbers and personal identification numbers, again for no legitimate purpose (photographs documenting these conditions will be available to the Court at sentencing). It is also consistent with the fraudulent nature of the enterprise that S&R Petro, Inc., although purportedly a gas station, never sold a drop of gasoline.

SENTENCING REFORM ACT FACTORS

1. The Seriousness Of The Offense

The offense of conviction, wire fraud involving almost \$470,000 fraudulently obtained from a program designed to feed the poor, is a serious one. Moreover, as noted above, RAMMAL's fraudulent discounting activities were more egregious than the typical discounting scheme this Court is familiar with, because they required an added layer of fraud: intentional concealment of the true owner of the business (RAMMAL) in order to qualify as an authorized SNAP retailer in the first place. The custodial sentence recommended by the government addresses the serious nature of these offenses.

2. Background And Character Of The Defendant

The PSR contains a great deal of information about the background and character of the defendant. The government has nothing to add.

3. Need For The Sentence Imposed To Promote Respect For The Law, And To Provide Just Punishment For The Offense; To Afford Adequate Deterrence To Criminal Conduct; And To Protect The Public From Further Crimes Of The Defendant.

The sentence recommended by the government will serve to promote respect for the law and provide just punishment. In addition, it will serve as a general deterrent to others similarly situated.

4. The Need To Avoid Unwarranted Sentencing Disparities

While the sentencing guidelines are advisory, they remain the sole means available for assuring some measure of uniformity in sentencing, fulfilling a key Congressional goal in adopting the Sentencing Reform Act of 1984. Reference to the guidelines, while carefully considering the 3553(a) factors particularly relevant to an individual defendant, is the only available means of preventing the disfavored result of basing sentences on the luck of the draw in judicial assignments. Accordingly, the Supreme Court has held that “district courts must begin their analysis with the Guidelines and remain cognizant of them throughout the sentencing process” in order to assure fair, proportionate, and uniform sentencing of criminal offenders. *Gall*, 552 U.S. at 50 n.6. The government is confident that this Court will do so.

CONCLUSION

For all of the above reasons, the government respectfully recommends that the Court: (1) determine the applicable sentencing range to be 24-30 months as probation recommends; and (2) impose a sentence within a narrower range of 24-27 months, that is, the minimum of the applicable range and the maximum of the range anticipated and recommended by the parties at the time of RAMMAL's guilty plea.

Respectfully submitted,

MATTHEW SCHNEIDER
United States Attorney

s/Craig A. Weier
Craig A. Weier (P33261)
Assistant United States Attorney
White Collar Crimes Unit
211 West Fort Street, Suite 2001
Detroit, Michigan 48226
313-226-9678
craig.weier@usdoj.gov

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

No. 18-cr-20559-01

v.

Plaintiff,

HON. NANCY G. EDMUNDS

D-1 KAMAL MOHAMMAD RAMMAL,

Defendant.

/

CERTIFICATE OF SERVICE

I hereby certify that on March 29, 2019, I filed the attached Sentencing Memorandum using the Court's Electronic Court Filing system, thus automatically serving a copy on the attorney of record.

s/Craig A. Weier

Craig A. Weier (P33261)
Assistant United States Attorney
White Collar Crimes Unit
211 West Fort Street, Suite 2001
Detroit, Michigan 48226-3211
(313) 226-9678